# 4.3: Economic Conditions

## Chapter 4.3.1: Regional and Local Economies

### 4.3.1-1 INTRODUCTION

This chapter describes regional and local economies in the vicinity of the Project site to determine whether the Project would impact businesses and employment characteristics.

### 4.3.1-2 METHODOLOGY

Quarterly Census of Employment and Wages (QCEW) data were evaluated to provide an overview of general economic conditions near the Project site. QCEW data provide information on employment by place of work, which is based on reports from employers covered under New York State's Unemployment Insurance Law. Data are available for New York State, metropolitan areas, and counties. This analysis focuses on the data for Livingston and Wyoming Counties.

The U.S. Department of Agriculture's Census of Agriculture, which provides agricultural statistics for the nation, states, and counties or county equivalents, was used to provide an overview of agriculture in Livingston and Wyoming Counties.

### 4.3.1-3 EXISTING CONDITIONS

#### 4.3.1-3-1 Employment Characteristics

In 2008, there were a total of 34,569 employees in the bi-county region, which consists of Livingston and Wyoming Counties (see **Table 4.3.1-1)**. Since 2000, the number of employees increased by 5.5 percent, which was higher than the 1.5 percent growth rate in the state.

Of the 34,569 employees in the bi-county region, the highest portion (32.3 percent) worked in the government sector (see **Table 4.3.1-2**). The retail trade sector had the next highest share at 13.1 percent, and the manufacturing sector followed with 12.8 percent of the jobs.

Although the agriculture, forestry, fishing, and hunting sector represented only 3.8 percent of employment in the bi-county region, this was a higher portion of employment when compared with New York State (0.3 percent). Within the bi-county region, this sector represented 5.8 percent of employment in Wyoming County and 2.5 percent of employment in Livingston County.

#### 4.3.1-3-2 Agriculture in the Bi-County Region

In 2007, there were 1,553 farms in the bi-county region, with 792 farms in Livingston County and 761 farms in Wyoming County (see **Table 4.3.1-3**). Between 2002 and 2007, there was a 3.7 percent increase in the amount of farmland in this area and net cash farm income increased by 37.9 percent during this period.

**Table 4.3.1-1**
**Annual Employment (2000 and 2008)**

| Geographic Area | 2000 | 2008 | Percent Change (2000-2008) |
|---|---|---|---|
| Bi-County Region | 32,755 | 34,569 | 5.5 |
| Livingston County | 19,478 | 20,378 | 4.6 |
| Wyoming County | 13,277 | 14,191 | 6.9 |
| New York State | 8,471,278 | 8,596,391 | 1.5 |

**Source:** New York State Department of Labor, Quarterly Census of Employment and Wages [Accessed June 2010].

**Table 4.3.1-2**
**2008 Employment by Sector (in Percent)**

| Employment Sector | Bi-County Region | Livingston County | Wyoming County | New York |
|---|---|---|---|---|
| Agriculture, Forestry, Fishing and Hunting | 3.8 | 2.5 | 5.8 | 0.3 |
| Mining | 0.0 | 0.0 | 0.0 | 0.1 |
| Utilities | 0.0 | 0.0 | 0.0 | 0.5 |
| Construction | 4.1 | 4.7 | 3.2 | 4.2 |
| Manufacturing | 12.8 | 10.3 | 16.3 | 6.2 |
| Wholesale Trade | 2.2 | 2.7 | 1.4 | 4.1 |
| Retail Trade | 13.1 | 14.2 | 11.4 | 10.4 |
| Transportation and Warehousing | 2.2 | 1.8 | 2.7 | 2.7 |
| Information | 0.9 | 1.1 | 0.6 | 3.0 |
| Finance and Insurance | 1.7 | 1.6 | 1.7 | 6.2 |
| Real Estate and Rental and Leasing | 0.6 | 0.8 | 0.3 | 2.2 |
| Professional and Technical Services | 1.6 | 1.7 | 1.5 | 6.8 |
| Management of Companies and Enterprises | 0.2 | 0.3 | 0.0 | 1.5 |
| Administrative and Waste Services | 4.3 | 1.4 | 8.6 | 5.1 |
| Educational Services | 0.2 | 0.3 | 0.0 | 3.3 |
| Health Care and Social Assistance | 7.6 | 9.4 | 5.1 | 14.4 |
| Arts, Entertainment, and Recreation | 0.9 | 0.6 | 1.4 | 1.7 |
| Accommodation and Food Services | 7.2 | 8.7 | 5.0 | 6.7 |
| Other Services | 3.0 | 2.9 | 3.1 | 3.8 |
| Government | 32.3 | 33.6 | 30.5 | 16.8 |
| Unclassified | 1.5 | 1.5 | 1.4 | 0.2 |
| Total Employment | 34,569 | 20,378 | 14,191 | 8,596,391 |

**Source:** New York State Department of Labor, Quarterly Census of Employment and Wages [Accessed June 2010]

**Table 4.3.1-3**
**Agricultural Economic Statistics (2002, 2007)**

| Agricultural Statistic | Livingston County | Wyoming County | Bi-County Region | New York State |
|---|---|---|---|---|
| **2002** | | | | |
| Farms | 801 | 767 | 1,568 | 37,255 |
| Land in Farms (Acres) | 209,496 | 215,317 | 424,813 | 7,660,969 |
| Net Cash Farm Income of Operation[1] | $17,315,916 | $49,108,830 | $66,424,746 | $670,131,812 |
| **2007** | | | | |
| Farms | 792 | 761 | 1,553 | 36,352 |
| Land in Farms (Acres) | 222,415 | 218,028 | 440,443 | 7,174,743 |
| Net Cash Farm Income of Operation[1] | $39,504,766 | $52,101,442 | $91,606,208 | $1,255,679,690 |
| **Percent Change (2002 to 2007)** | | | | |
| Farms | -1.1% | -0.8% | -1.0% | -2.4% |
| Land in Farms (Acres) | 6.2% | 1.3% | 3.7% | -6.3% |
| Net Cash Farm Income of Operation | 128.1% | 6.1% | 37.9% | 87.4% |

**Notes:** [1]Net cash farm income of operation is derived by subtracting total farm and farm-related expenses from total sales, government payments, and other farm-related income. Net cash farm income of the operation includes the value of commodities produced under contract by the contract growers. Net cash farm income is presented in constant 2010 dollars.

**Sources:** 2002 Census of Agriculture and 2007 Census of Agriculture

### 4.3.1-3-3 Tourism in the Bi-County Region

Tourism is also important to the economy of the bi-county region. As shown in **Table 4.3.1-2**, approximately 7.2 percent of employment in the bi-county region is in the accommodation and food services sector. This was a higher portion of employment when compared with New York State (6.7 percent). A popular tourist destination in the bi-county region is Letchworth State Park, which attracts approximately 650,000 visitors annually, according to the New York State Office of Parks, Recreation and Historic Preservation. Tourism is also generated by other attractions including antiquing; wineries; and fishing, boating, and other recreational activities at Conesus and Hemlock Lakes.

### 4.3.1-3-4 Goods Movement

As described in Chapter 2, "Project Context," freight rail is critical to the New York State economy, bringing goods into New York State to serve its consumers, and exporting the products of New York to consumers elsewhere in North America. New York's geography makes it a key link in freight movement between the United States and Canada as well as between Midwestern hubs (i.e., Chicago and Cleveland) and the eastern seaboard.

Rail freight movement is not as vital to the local economies of Livingston and Wyoming Counties, but the Southern Tier route and the Portageville Bridge are critical to the larger regional and national economies. The Southern Tier route is a critical freight rail link between Buffalo and Binghamton, New York and provides connections to Canada and the eastern seaboard of the United States. It is a primary link to the border crossing at Buffalo/Niagara Falls and for other points to its south, west, and east. In addition to serving as a critical rail freight link for Norfolk Southern, the Southern Tier route is used by Canadian Pacific Railway and provides connections to 11 short line railroads. Thus, the route provides regional and national services, and also serves communities in western and southern New York State and northern and eastern Pennsylvania.

The Southern Tier serves three distinct regional markets: the Buffalo–Niagara region, with its strategic location for trans-border trade; the Elmira–Chemung area, a traditional agricultural and manufacturing region that is now seeing surge in rail traffic due to the extraction of mineral resources and other industrial activity; and Binghamton, which serves as a mini rail hub for east-west traffic as well as direct connections to New England, the New York metropolitan region, and points south.

In a recent initiative that provides regional economic benefits, Norfolk Southern and 10 New York-based short line railroads formed the "Empire Link," a program intended to convert short-haul truck movements to rail. The "Empire Link" allows these short line railroads to market the excess capacity on the Southern Tier main line between Binghamton and Silver Springs, New York (a segment that includes the Portageville Bridge), as well as on branch lines between Corning and Geneva, and between Waverly and Ludlowville, allowing the short lines to connect and interchange traffic with each other by accessing the Southern Tier.

The Portageville Bridge also plays an integral role linking rail movements from the West Coast and Midwest with eastern New York and New England as part of Pan Am Southern, LLC (PAS), a joint venture between Norfolk Southern and Pan Am Railways. This initiative is intended to bring a new level of rail competition and service in upstate New York and New England, but the joint venture's long-term success is predicated on the Southern Tier remaining intact and in service at all times.

**Figure 4.3-1** illustrates the important role that the Portageville Bridge plays in the regional and national economy. This figure shows the approximately 1,500 origin or destination points for freight that crosses the bridge.

## 4.3.1-4 EFFECTS ASSESSMENT

### 4.3.1-4-1 No Action Alternative

The Portageville Bridge and Southern Tier route have little effect on the local economy of the immediate area, and therefore this alternative would not affect local economic conditions or employment.

With the No Action Alternative, the existing bridge would continue to threaten the long-term viability of freight operations on the Southern Tier route. Rail freight operations associated with the bridge on the Southern Tier would continue to be restricted due to the bridge's inability to accommodate standard weight rail cars and speeds over the bridge would remain at substantially decreased levels due to the limitations of the bridge. The existing bridge would require frequent inspections, with necessary repairs made, and could be subject to temporary and possibly permanent closure, threatening the vitality of the Southern Tier route and the industries and destinations it serves.

If the Southern Tier is severed as a result of the failure of the existing Portageville Bridge under the No Action Alternative, this would result in negative impacts to regional and national economic activity. In this scenario, rail traffic currently routed over the bridge would have to be routed over a longer, slower, and more expensive route, resulting in greater expenses to shippers and the loss of much of this traffic back to trucking. On a regional level, although economic development tied to regional industries would not likely be eliminated if the Southern Tier is severed, the higher transportation costs associated with either moving freight by another more circuitous route or by truck would result in less capital available to purchase additional goods and hire additional employees. On a national level, Norfolk Southern would either have to eliminate rail freight service to several locations and for several customers, and reroute trains over other routes maintained by other railroads, which is logistically complex and would add five-hour service delays; and/or cease operations on the Southern Tier route altogether, either of

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Location of Portageville Bridge

Origins and Destinations for Freight
that Crosses Portageville Bridge
Figure 4.3-1

which would result in the loss of customers, who would presumably shift shipping operations to trucks. In addition, as truck vehicle miles increase, there would be associated highway congestion, air emissions, and pavement damage and associated costs.

#### 4.3.1-4-2 Preferred Alternative

The Portageville Bridge and Southern Tier route have little effect on the local economy of the immediate area, and therefore this alternative would not affect local economic conditions or employment. The existing bridge is located within the boundaries of Letchworth State Park, an important economic resource in the area, and the bridge is one of the iconic features associated with the park. The replacement bridge under the Preferred Alternative would not alter the attractiveness of Letchworth State Park nor affect its patronage, and therefore would not adversely affect local economic conditions associated with park patronage.

The Preferred Alternative would not adversely impact the regional or local economies or employment of Wyoming and Livingston Counties. The Project would be located on land encompassed by Letchworth State Park and adjacent to rural land and would not displace active commercial properties. Therefore, it would not result in any reduction in the number of employees or distribution of employment sectors.

The Preferred Alternative would result in a new rail bridge that would be capable of carrying traffic at an industry-standard 286,000-pound gross car-weight and would allow the operating speeds to be increased from the current 10 MPH up to 35 MPH. Therefore, the Preferred Alternative would improve freight operations on the Southern Tier route and would protect the long-term viability of New York State's freight rail network. Replacement of the Portageville Bridge with a modern bridge that meets current Class I standards would eliminate a major bottleneck in reliable freight service on the Southern Tier route and therefore result in a benefit to regional and national freight operations and related economic activity.

Regional and national economic benefits from the Preferred Alternative would include the avoidance of the negative impacts associated with the No Action Alternative (discussed above) as well as positive economic impacts that result from shipper cost savings and highway network user savings in comparison to the No Action Alternative.

## 4.3.1-5 SUMMARY OF MITIGATION

No adverse impacts to the regional and local economies were identified. Therefore, mitigation is not required.